



TELECOPIER COVER LETTER

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All American Agency

505 North Main • Moab, Utah 84532 • 801 259-6493 or 259-5124

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: HOLLAND SHEPHERD

FIRM: D.O.G.M.

FROM: Joe D. Bierschied
801-259-6493

TOTAL NUMBER OF PAGES 3 (INCLUDING COVER LETTER)

DATE: 9-29

TIME: 10:00

IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL AS SOON AS POSSIBLE:

801-259-6493 :

PERSON SENDING DOCUMENTS: Joe D. Bierschied

Holland,

THE NEW PURCHASERS HAVE SIGNED
THIS CONDITION OF SALE AND IT WILL BE
RECORDED WITH THE NEW DEED.

THANKS

Joey

Special Conditions of Sale for the Happy Jack Mine

The Happy Jack Mine is a former uranium and copper mine and is sold as is. The property includes a water right for a water well situated on BLM land across the highway from the property. The property also includes several unpatented mining claims.

The buyer must understand and agree to the following considerations and contingencies in the purchase of the property:

1. Buyer has made a visual inspection of the property and accepts it in its present physical condition. Buyer further accepts all water rights and easements as is, and agrees to assume the costs of any bonding or litigation which may be required to maintain these rights. Seller has disclosed to the buyer that the BLM has requested a bond to cover the eventual restoration of the well site, though it is unclear whether the BLM has the authority to request such a bond.
2. Buyer represents that he is knowledgeable about the dangers involved with a former uranium mining site, and as owner of the site assumes full liability for any damage to life or property on the site. The buyer also assumes full liability for environmental damage to the site.
3. Upon receipt of the Earnest Money, Seller will begin the process of transferring the Mine Operator's permit to the buyer. As a part of this process, the buyer will be required to pay a revegetation bond of \$2000 to the State of Utah. This permit is regulated by the State of Utah's Division of Oil, Gas, and Mining. Buyer will participate in this transfer process.
4. The Buyer agrees that he will not commence any activities which might be construed as mining activities—especially earth moving—until the mine operator's permit transfer has been approved.
5. The Buyer accepts the conditions which have been previously imposed upon the property by its former owners (these conditions are listed in the deed to the property). Specifically, these conditions impose a 20% mineral royalty on the property for any minerals which may in the future be mined (including a 5% royalty imposed by the current Seller). They also impose an obligation to inform Atlas Minerals if the owner wishes to abandon the unpatented claims.
6. The Buyer acknowledges that the pump which is now in the well is the property of Sandy Johnson, a local rancher, and that Johnson has permission to use the well in his livestock operation for five years from the date of sale of the property. However, Johnson's use of the well does not in any way limit the buyer's right to use it.
7. The Buyer agrees not to store any hazardous or legally controlled materials on the property until the purchase price is paid in full.
8. The Buyer agrees that, until the purchase price is paid in full, he will not commence any activities that would damage the vegetation on the upper bench and mesa top (the areas above the cliff surrounding the mine pad) without the permission of the Seller.
9. Concurrent with the purchase of the property, the buyer will sign a conservation easement stating that

- a) any entity that may wish to commence mineral mining on the property in the future must first agree, and place surety to guarantee, that all disturbed portions of the property will be reclaimed to a state approximating a natural appearance and ground stability using high-quality reclamation and revegetation techniques, regardless of when the disturbance was made and by whom. This reclamation will commence with the beginning of mining on the property, and must continue steadily, concurrent with any mining operation. This provision does not apply to exploratory work in which no minerals are collected for sale, or to any use of the mine for non-mining purposes.

The above easement will be held initially by the seller, and may be transferred in the future to another individual or to a conservation organization.